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SOURCE Hsin Kung-shang-yeh Cheng-ts'ue (New Industrial and Commercial Policy).CHANGES IN THE CCP RURAL AND URBAN POLICYHonan Central Bureau on Rectification of Reckless Leftist Practices

In response to inquiries from the Tai-yuan--Yueh-yang Regional Committee concerning the latest rulings on Communist policy, the Shansi-Hopeh-Shantung-Honan Area Central Bureau issued the following instructions:

1. In all cases where middle-class farmers have been dispossessed, they shall have their possessions immediately and unconditionally restored. If their citizenship rights have been impaired, such rights shall immediately and unconditionally be restored to them.

2. In the beginning, an example was made of certain truculent landlords and wealthy peasants, as a warning to others, by completely dispossessing them of their holdings and abolishing their place in society. Such a policy, however, will not do as a permanent one. Consequently, all landlords and wealthy peasants should at once be given the means of a livelihood and no excuses will be allowed for failure to comply with this instruction. In the final distribution, these people must be given the same holdings as all peasants.

Any special restrictions that have been placed upon them must be immediately removed. If their buildings have been closed, they must be restored and returned to them.

Landlords and wealthy farmers must be allowed to join the mutual assistance groups, not only for their own benefit, but for the enrichment of society.

A serious mistake was made in the past of slaying these people or denying them the right to exist as individuals.

Local cadres must stop the practice of declaring martial law or operating as secret police. The requirement of travel passes must also be discontinued. Every effort must be made to promote the efforts of the people to carry on trade. Freedom of movement is one of the essentials of growing trade.

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4. All forms of corporal punishment, such as beatings, use of fetters, forcing people to commit suicide, beating to death, etc., must be abolished. Law offenders must be properly tried in the people's courts. No sentences may be carried out until the higher authorities have passed on them. Death by shooting shall be the only method of execution. Corporal punishment is a relic of feudalism which the CCP must abolish.

5. All industrial and commercial enterprises, including those of landlords and wealthy farmers, must be fully protected. They shall not be seized and there shall be no wrangling over property possession. The investments of landlords and wealthy peasants in industries, cooperatives, and shops must be welcomed as evidence of progressiveness. Those properties that have been expropriated, but are still intact, must be returned to the proper owners and if they need additional capital for development, the authorities must grant them loans at very low interest or no interest at all. In cases where the properties have already been divided, the authorities must compensate the former owners to enable them to establish new enterprises.

Owners of industries or shops who have fled the area should be persuaded to return to resume operations. During their absence their premises must be protected by their representatives, or by the government.

Property of KMT officials, or notorious opposers of the people's movement, must be taken over by the administrative or border region government or their subsidiary offices and never by private individuals. Such confiscated properties must not be distributed but must be operated by the government.

6. Enlightened landlords and gentry, who approve of the struggle against the United States and Chiang and are in harmony with the land reform policy, should not be antagonized, but must be led to unite with us. Every friend is a source of strength. A similar policy should be pursued toward intellectuals.

#### Proclamation of East China Combat Command on Occupation of Cities

1. In occupying industrial and mining areas, the supplies and equipment found must not be disturbed. The commander of the army unit to guard property and no one will be authorized to remove any property without an order from the army commander.

2. All railway and communication equipment and supplies must be guarded and kept intact.

3. All property of the four great families and KMT officialdom shall be sealed, protected, and reserved intact for future disposal.

4. The possessions of all individuals who do not oppose military operations and who are law-abiding citizens must be protected.

5. All cultural, educational, and philanthropic organizations and institutions, whether public or private, must be protected.

6. All law abiding foreigners, including missionaries, without regard to nationality must be protected.

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